Basic Commodity Processing

Who Are We?

U.S. Department of Agriculture

Food, Nutrition, and Consumer Services

Special Nutrition Programs

Food Distribution Division

Operations Branch

Processing Initiatives Team (PITs)

What is the Commodity Processing Program?

- Regulatory Authority 1958 – to maximize the use of commodity
- Commercial food manufacturers convert raw bulk commodity into end products
- Wide variety
- More convenient
- Ready-to-use

Basic Terms

AMS – Agricultural Marketing Service
- "Group A" Commodities
- Beef, Pork, Poultry, Eggs, F&V
- "Surplus Removal"
- End Product Certification (Grading)

FSA – Farm Service Agency
- "Group B" Commodities
- Cheese, Grain, Oil, Peanut
- "Price Support"

Basic Terms

- Distributing Agency (DA) – State government agency which enters into an agreement with FNS for the distribution of DF to eligible RAs.

- Recipient Agency (RA) – Organizations within a State eligible to receive DF

    Schools (public and private), RCCI, CI, NPE/NSIP, SFSP, summer camps, soup kitchens

Basic Terms

- Entitlement – A dollar value of commodity assistance which is required by law to be provided to the CN Programs.
  - Per-Meal-Rate x Meals Served

- Bonus – Food items not charged against entitlement or appropriated funds.
  - Use Without Waste or Fair-Share

Basic Terms

- Direct Diversion – Food is shipped directly from the USDA vendor to the processor

    AKA: Direct Shipment or Direct Delivery

- Backhaul – The pick up of a DF from a DA or RA for processing and return.

Basic Terms

- Multi-State Processor – enters into agreements with agencies in more than one State or an agency in a State other than where the plant or business office is located.

- Single State Processor – processor doing business solely within a State where the plant or business office is located.

Basic Terms

Three Types of Agreements

1. National Processing Agreement

   - Multi-State Processors

2. State (Master) Agreement

   - Single State Processors

3. Recipient Agency Agreement

   - Single State Processors

Basic Terms

- End Product Data Schedule (EPDS) – a standard form used to describe a finished product that is commercially processed from commodities

- Summary End Product Data Schedule (SEPDS) – a compilation of EPDS

USDA Responsibilities

- USDA enters in to agreement with processor
- USDA approves EPDS and SEPDS
- USDA holds surety instrument
- USDA purchases commodity and delivers to State designated location/processor
- Processor sells end products to RA
- Processor submits national MPR to USDA

Contact Us

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